



NEWS RELEASE

1303 SW First American Place, Suite 100, Topeka, KS 66604-4040
Voice (785) 271-2701, FAX (785) 271-2708, WEB www.rurdev.usda.gov/ks

FOR IMMEDIATE RELEASE – July 20, 2006
Contact – Harold Alford (785) 271-2701

Kansas Economic Development Funding Announced By USDA Rural Development

***Nearly \$2.7 Million In Federal and Supplemental Financing to
Support Rural Development***

Topeka, KS. – USDA Rural Development State Director Chuck Banks this afternoon congratulated two Kansas recipients selected for \$890,000 in Agency funding to support economic development efforts across the State. Selection of the projects, approved under the USDA's *Rural Economic Development Loan & Grant Program*, was announced by Secretary of Agriculture Mike Johanns in Washington, DC today.

"These funds will help stimulate the economy, support renewable energy, promote business development and improve medical services in rural communities," said Johanns. "The projects funded today will help to create or save an estimated 1,400 jobs, underscoring the Bush Administration's commitment to strengthening our nation's economy."

"These business development funds will support local efforts to bring added economic growth and employment opportunities to rural Kansas. I applaud the local community leadership for their efforts to secure these investments, which are needed to create economic opportunities and improve the quality of life available in their community," commented State Director Banks.

Under the USDA Rural Development *Rural Economic Development Loan & Grant Program*, the Agency will make a zero-interest loan to a local rural utility cooperative. Upon receipt of the loan proceeds, following execution of loan documentation and meeting the conditions of the Program, the cooperative will then pass the proceeds on to a local business to finance job creation efforts. \$1,792,102 in private financing was also contributed to these projects.

In his afternoon remarks, Banks further stated, "USDA Rural Development will continue to work vigorously with our state's rural utility cooperatives to support local efforts in bringing new business investment to their communities. I would like to thank the rural utility cooperatives for their continued participation in this excellent program that assists rural Kansas. This program is good for our communities, it is good for the Kansas economy, and it is good for rural Kansans working to create a better life".

The two Kansas projects announced today follow:

Lyon-Coffey Electric Cooperative, Inc.; Lyon County, KS

– **\$740,000** / Funding will assist in the construction of a new implement dealership facility and is expected to create 9 full-time jobs. The project will meet the present needs of the company and also allow for future expansion. USDA Rural Development funds will be leveraged with an applicant contribution of \$1,632,102.

- continued -

The Golden Belt Telephone Assn., Inc.; Ness County, KS

– \$150,000 / Funds will be used to construct a new building for a fabrication business and is expected to create 3 full-time jobs. The project is meeting the needs of an expanding industry. USDA Rural Development funds will be leveraged with an applicant contribution of \$160,000.

Over the past five years, USDA Rural Development in Kansas has been a leading state in the Nation delivering economic development assistance through the Agency's *Rural Economic Development Loan & Grant Program*. In fact, since 1998, the program has assisted at least 71 businesses, created and saved over 1870 jobs, and provided almost \$22 million in loans and grants across rural Kansas,

USDA Rural Development's mission is to deliver programs that support increasing economic opportunity and improving the quality of life of rural residents. The Agency provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure in rural America. Last year, USDA Rural Development provided nearly \$235 million in direct funding for community and economic development projects across rural Kansas.

For additional information regarding USDA Rural Development programs, individuals may call the Agency's state headquarters at 785-271-2700 or log onto the state's Agency website at: www.rurdev.usda.gov/ks .

USDA Rural Development – *Committed to the Future of Rural Communities.*

- end -